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**From:** Nguyen, Kim <FTA>  
**To:** Ossi, Joseph <FTA>  
**Sent:** 7/8/2008 10:29:44 AM  
**Subject:** RE: Honolulu

Hopefully they will resolve it at the July 10 meeting.

-----Original Message-----

From: Ossi, Joseph <FTA>  
Sent: Tuesday, July 08, 2008 4:00 PM  
To: Nguyen, Kim <FTA>  
Subject: RE: Honolulu

Thanks, Kim. It sounds like much more that travel forecasting is at issue.

Joe Ossi  
FTA Office of Planning and Environment  
(202) 366-1613

-----Original Message-----

From: Nguyen, Kim <FTA>  
Sent: Tuesday, July 08, 2008 3:20 PM  
To: Ossi, Joseph <FTA>  
Subject: FW: Honolulu

Hi Joe,

The travel forecasts meeting scheduled for July 10 was mentioned towards the end of Ron's email below.

Kim

-----Original Message-----

From: Fisher, Ronald <FTA>  
Sent: Thursday, June 12, 2008 11:17 AM  
To: Carranza, Edward <FTA>  
Cc: Luu, Catherine <FTA>; Marler, Renee <FTA>; Matley, Ted <FTA>; Rogers, Leslie <FTA>; Sukys, Raymond <FTA>; Nguyen, Kim <FTA>; Zakel, Anthony <FTA>; Day, Elizabeth <FTA>; Ryan, James <FTA>; James, Aaron <FTA>; OConnor, Mike <FTA>; Tahir, Nadeem <FTA>  
Subject: RE: Honolulu

All,

I was going to send out a status report to you today on what I know about the project, so getting this information is timely. One question I am posing at the end of this is when we can begin the larger cost review for the project.

At APTA's Rail conference last week I learned for the first time that instead of studying two alignments for the project that would either use Salt Lake Blvd. or further an alignment south to the airport, a spur is now planned beginning at the airport and heading east terminating at Ala Moana Center. This line would be in addition to the chosen one beginning at Kapolei using the Salt Lake City alignment terminating at Ala Moana Center. I learned that from a presentation by the Honolulu mayor who was one of the luncheon speakers, not exactly the way we should be receiving information about the project.

Just before I left for the rail conference we had a call with our consultant who reviewed the financial plan. The bottom line is that the plan has an acceptable rating, but the match of revenues and costs for both capital and operating is close enough that we will mention a number of concerns that will need to be addressed in PE. Briefly they are excise tax growth for the past 16 years has been 3.0% versus 4.1% assumed in their forecasts (they gave more weight to excise growth for the past 6 years which has been 6.7%), \$178m in excise tax revenues assumed to be collected in 2008 versus \$135m used in City budgets, an existing general obligation ceiling of 20% must be raised to 30% to address 2019 requirements imposed by this project, an increase in transit subsidies as a percentage of the general and highway fund revenue from 10.9% (1994-2007) to 18% by 2019, and fares have been assumed to increase to

adhere to the Council's mandate for 27-33% fare recovery, but ridership has not been adjusted to account for the effect of increasing fares above inflation. The addition of the spur to the project likely raises project costs a bit and makes the match of their revenues and costs more challenging. And the economy there is very sensitive to tourism, which could be affected by increasing fares to the island. Nevertheless their financial plan is OK for this stage of project development.

There is a meeting scheduled on the travel forecasts here for July 10. Once we have that we will have a better sense as to the reasonability of the service plans for the alternatives. We have requested those service plans to be available at the meeting. We still do not have any information for O&M costs, but have made the project sponsor aware that we are waiting for that.

These are the highlights as I understand them. No one has told me that a cost review will be initiated but I think that it should be. Previously TPM-20 said they would direct that effort. Could someone from TPM-20 tell us the status of that? If anyone else has information or comments to add, please do so.

Thanks,  
Ron

-----Original Message-----

From: Carranza, Edward <FTA>

Sent: Thursday, June 12, 2008 10:29 AM

To: Fisher, Ronald <FTA>

Cc: Luu, Catherine <FTA>; Marler, Renee <FTA>; Matley, Ted <FTA>; Rogers, Leslie <FTA>; Sukys, Raymond <FTA>; Nguyen, Kim <FTA>; Zakel, Anthony <FTA>; Day, Elizabeth <FTA>; Ryan, James <FTA>; James, Aaron <FTA>; OConnor, Mike <FTA>; Tahir, Nadeem <FTA>

Subject: RE: honolulu

FYI to our New Starts team leader and members for this project. Ray appropriately reminded the Honolulu folks yesterday of the importance to not lose sight of the need to resolve any outstanding modeling issues as well. They stated they plan on visiting with Jim R on this very subject.